



MEDICARE FACT SHEET

MEDICARE OUTLINES STEPS TO HELP ‘DUAL ELIGIBLES’ MOVE TO COMPREHENSIVE MEDICARE DRUG COVERAGE

Medicare’s prescription drug coverage is available to everyone in Medicare, regardless of their income or how they get their Medicare. For those with limited incomes, there is extra help that will provide comprehensive coverage for no premium and no deductible.

Medicare beneficiaries who also get Medicaid, the state-federal assistance program for those with low incomes, automatically qualify for this extra help. These “full-benefit dual eligibles” are being automatically and randomly enrolled in a prescription drug plan to make sure that they do not lose a day of prescription coverage.

This week, the Centers for Medicare & Medicaid Services began mailing letters to these 5.5 million Medicare beneficiaries. The letters let the beneficiary know which Medicare prescription drug plan they will be enrolled in if they take no action prior to January 1. A copy of the letter is attached and also available online at www.cms.hhs.gov

These letters are being mailed first class, so all “undeliverables” will be returned to CMS. CMS will follow up on each undeliverable notice in order to send to the correct address.

The letters are just one in a series of actions CMS is taking to make sure people who get Medicare and Medicaid are aware of the coming changes in their prescription drug coverage. Direct mail is one component:

- In May, full-benefit dual eligibles received a letter from CMS informing them that they automatically qualify for the low-income subsidy and do not need to apply.
- In October, all Medicare beneficiaries received the “Medicare & You” 2006 handbook.
- Also, Medicare prescription drug plans will mail enrollment materials to the full-benefit dual eligible beneficiaries assigned to their plan. Those materials include a list of covered drugs and the pharmacy network.

Also, if a full-benefit dual eligible beneficiary goes to a pharmacy after January 1 unaware that prescription drug coverage is now through Medicare, the pharmacist can determine the beneficiary’s enrollment information by submitting an on-line query through its billing system. If the pharmacy is in network, the pharmacist can then fill the prescription with no further information required from the beneficiary for billing. If the pharmacy is not in network, the pharmacist can help the beneficiary call their plan’s help desk or 1-800-MEDICARE to determine a participating pharmacy.

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Helping Dual Eligible Beneficiaries Make an Informed Choice

All of the plans that qualify for the automatic enrollment must meet Medicare's standards for access to medically necessary drugs at a convenient local pharmacy. Beneficiaries who prefer a different plan can change at any time.

The letters will also help ensure that full-benefit dual eligible beneficiaries are aware that they can choose a different zero-premium plan in their area, and that they can call 1-800-MEDICARE to find out more about these plans.

CMS is taking this and many other steps to make sure beneficiaries are able to enroll in a zero-premium plan option if that is what they prefer. While there are many sources of information and help in choosing such a plan, the "Medicare & You" 2006 handbook included a table on page 97A that erroneously said that all plans in every area would charge no premium for those who qualify for the low-income subsidy.

Before they choose another plan, beneficiaries have many sources of accurate, personalized information on their coverage options:

- Even before enrollment begins on November 15, beneficiaries can get personalized information by calling 1-800-MEDICARE. They, a counselor or caregiver can also get the same material at www.medicare.gov.
- Medicare's thousands of outreach and enrollment partners nationwide have complete information on plans in their area. They have received training on using this information to help beneficiaries choose.
- Many states are also providing assistance, and have access to the same personalized information to help beneficiaries choose.
- Nursing facilities caring for Medicare beneficiaries can also get information on whether the beneficiary is eligible for extra help, and the plan to which the beneficiary has been assigned, enabling them to help make sure prescription drug needs will be met as effectively as possible.

When the beneficiary chooses a prescription drug plan, there are several steps to make sure that the beneficiary knows if they are joining a plan with a premium:

- If they call 1-800-MEDICARE or they or a caregiver uses www.medicare.gov, they will be informed if they have chosen a plan with a non-zero premium and given assistance if they wish to choose a plan with no premium.
- If they contact a health plan, the plan is required to notify them that they would pay some premium for their current choice of coverage and that zero-premium options are available – either from that plan (if such an option is offered) or by contacting Medicare.

For all of these reasons, and because all zero-premium plans provide comprehensive coverage with convenient access to all medically necessary treatments, Medicare expects very few dual eligible beneficiaries will enroll in a drug plan with a premium unless they wish to do so.

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To make sure that any low-income beneficiary who actually does enroll in a plan with a premium was fully informed and intended to do so, Medicare will:

- Track beneficiary enrollments to identify beneficiaries who enroll in a plan that has a premium even though they are eligible for a zero-premium plan, and send a letter making sure they know about the zero-premium options.
- Allow beneficiaries who mistakenly enroll in a plan for which they will have a premium liability to change to a plan where they would not have to pay any premium.
- Require Medicare prescription drug plans to include information about plan premiums in their pre-enrollment materials.

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